

## Message Text

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PAGE 01 STATE 062244  
ORIGIN EB-03

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FM SECSTATE WASHDC

TO AMEMBASSY LONDON

AMEMBASSY BONN

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY BRASILIA

AMEMBASSY NEW DELHI

AMCONSUL HONG KONG

AMEMBASSY SEOUL

AMEMBASSY STOCKHOLM

AMEMBASSY HELSINKI

AMEMBASSY OSLO

AMEMBASSY SINGAPORE

AMEMBASSY MANILA

AMEMBASSY MEXICO

AMEMBASSY BOGOTA

AMEMBASSY ISLAMABAD

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY TAIPEI

AMEMBASSY KUALA LUMPUR

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FOL RPT GENEVA 2104 ACTION SECSTATE INFO OTTAWA EC BRUSSELS  
19 MAR 77 QUOTE

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E.O. 11652: N/A

TAGS: GATT

SUBJ: MFA/GATT TEXTILES COMMITTEE

1. GATT TEXTILES COMMITTEE (TC) MET MARCH 16 AND 17 TO CONTINUE CONSIDERATION OF FUTURE OF MULTIFIBER ARRANGEMENT (MFA). ALTHOUGH UNWILLING TO MAKE CONCRETE SUGGESTIONS OR TO ENTER "NEGOTIATING PHASE", THE EC, CANADA, SWEDEN (ON BEHALF NORDICS), AUSTRIA AND AUSTRALIA ALL PRESENTED THEIR IDEAS FOR CHANGE IN GREATER DETAIL. U.S. AND JAPAN EXPRESSED SUPPORT FOR MFA RENEWAL WITHOUT CHANGE, URGED TC TO PROCEED WITH WORK OF RESOLVING DIFFERENCES, AND EXPRESSED WILLINGNESS TO LISTEN TO AND JOIN IN DISCUSSION OF ALL PROPOSALS FOR IMPROVEMENT OF IMPLEMENTATION OF MFA. OTHER DEVELOPING EXPORTING COUNTRIES SUPPORTED RENEWAL WITHOUT CHANGE; INDIA, EGYPT, BRAZIL NOTED THAT AREAS SUGGESTED FOR CHANGE BY IMPORTING COUNTRIES WERE ALSO THOSE WHICH EXPORTING COUNTRIES WISHED TO CHANGE, BUT IN OTHER DIRECTION. IF IMPORTING COUNTRIES WERE TO PROPOSE CHANGES, EXPORTING COUNTRIES SAID THEY WOULD DO SO TOO. CHAIRMAN LONG ANNOUNCED THAT HE WOULD CONSULT WITH DELEGATIONS TO DETERMINE WHEN PARTIES ARE READY TO MAKE PROPOSALS AND TC COULD BE CALLED BACK INTO SESSION, BUT NOT LATER THAN WEEK OF APRIL 18.

2. ARTHUR, SPEAKING FOR CANADA, NOTED THAT MFA WAS DEROGATION FROM GATT AND SHOULD BE USED SPARINGLY; CONTINUED RECOGNITION OF CANADA'S RIGHT TO USE GATT ART XIX WAS FUNDAMENTAL TO CANADA'S CONTINUING PARTICIPATION IN THE MFA. CANADA FURTHER THOUGHT THAT THE RELATIONSHIP LIMITED OFFICIAL USE

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BETWEEN HIGH IMPORT PENETRATION AND BASE PERIODS, GROWTH RATES, CARRY FORWARD AND SWING AND CUMULATIVE MARKET DISRUPTION SHOULD BE CONSIDERED. HE SAID IT WAS ESSENTIAL THAT THERE BE NO PERMANENT SEATS ON THE TSB. SWEDISH AMB. CRAFOORD, SPEAKING FOR NORDICS, REGRETTED THAT MVP CLAUSE HAD NOT BEEN RECEIVING RECOGNITION DURING RECENT MONTHS; NEW MFA MUST ALLOW THEM TO SEEK CONSULTATIONS WITHOUT "SHARP INCREASE". HE CONTINUED THAT BASE PERIOD UNDER ANNEX B SHOULD BE EXTENDED TO 24-30 MONTHS, TSB SHOULD BE MORE BALANCED AND REPRESENTATIVE, AND THAT HAND-LOOM DEFINITION SHOULD BE CLARIFIED, POSSIBLY WITH HAND-LOOM IMPORTS BEING LIMITED TO PORTION OF FACTORY MADE IMPORTS. AUSTRIAN CITED BASE PERIOD IN ANNEX B AND CUMULATIVE IMPACT AS PRINCIPAL PROBLEMS. MEYNELL, FOR EC, ALTHOUGH UNABLE TO COMMENT ON GLOBALIZATION, STATED: BASE PERIOD IN PARA (1)(C) OF ANNEX B NOT BALANCED BECAUSE DIFFERENT FROM PARA 1(A); 6 PERCENT GROWTH RATE WAS REFERENCE AND EXCEPTIONS WERE POSSIBLE, INVERSELY RELATED TO DOMESTIC PRODUCTION AND CONSUMPTION; FORESTALLING LED

TO HIGH LEVELS; HAND LOOMS SHOULD BE CAREFULLY DEFINED (INCLUDING PROHIBITION USE OF ANY MACHINE); AND TSB SHOULD BE MORE RESPONSIVE AND BALANCED, PERHAPS SLIGHTLY LARGER.

3. PRINCIPAL EXPORTING SPOKESMEN WERE PAKISTAN, EGYPT, BRAZIL, MEXICO AND INDIA. IN GENERAL, ALL EXPORTING COUNTRIES OPPOSED IMPORTING COUNTRIES' VIEWS OF IMPROVEMENTS AND SUPPORTED RENEWAL WITHOUT CHANGE. PRINCIPAL SPEAKERS STATED THEY WOULD OPPOSE ANY CHANGES MAKING MFA MORE PROTECTIONIST. INDIA, PAKISTAN, MEXICO AND BRAZIL STATED THAT IF MFA WERE TO BE MADE MORE PROTECTIONIST, THEY WOULD NOT PARTICIPATE AFTER 1977, PREFERRING TO TAKE THEIR CHANCES WITH GATT. THESE FOUR AND MALAYSIA ALSO NOTED THAT TEXTILE TRADE COULD BE TAKEN UP IN OTHER FORA, SUCH AS NORTH-SOUTH DIALOGUE. PHILIPPINES SUGGESTED EXTENSION FOR ONE YEAR.

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4. COMMENT: EXPORTING COUNTRY RESPONSES WERE NOTABLY RESTRAINED IN TONE; BEHIND SCENES THEY VERY FIRMLY OPPOSED CHANGES AND MADE CLEAR THEY WOULD RAISE ISSUE IN NORTH-SOUTH DIALOGUE FORA AND MTN, IF EC PERSISTS. SORENSON

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## Message Attributes

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**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Review Markings:**  
Margaret P. Grafeld  
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